

1 IN THE HOUSE

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2

HOUSE BILL NO. 238

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act requiring certain electric public utilities

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to prepare certain reports; and relating to costs in

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proceedings before the Alaska Public Utility Commis-

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sion."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 42.05 is amended by adding new sections to read:

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Sec. 42.05.294. ADVANCE RESOURCE PLANS. (a) An electric utili-

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ty with annual sales that exceed 300,000,000 kilowatt hours shall file

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an advance resource plan with the commission on or before January 15,

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1989, and every four years thereafter. When the plan includes a

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forecast or projection, the forecast or projection must be for the

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next 20 years. The plan shall

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(1) include a demand forecast that projects the power

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requirements for the utility service area;

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(2) list and describe the facilities and energy supply

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resources of the utility and project future requirements;

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(3) list the facilities that the utility expects to remove

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from service;

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(4) include an annual load duration curve and a forecast of

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anticipated peak loads and reserve margins for the residential, com-

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mercial, and industrial sectors;

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(5) describe the projected population growth or decline,

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urban development, industrial expansion, and other factors influencing

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demand for electrical energy and describe the bases for the

1 projections;

2 (6) describe additional system capacity that could be
3 achieved by improvements in generating or transmission efficiency,
4 power pooling, interconnection of qualifying small power producers,
5 conservation, and reductions in demand through end-use efficiency
6 improvements;

7 (7) describe the utility's relationship to other utilities
8 and to regional associations, power pools, or networks;

9 (8) summarize the relevant load management efforts, load
10 research, and energy end-use analysis efforts made by the utility; and

11 (9) recommend an electrical energy resource supply plan
12 that identifies projected plant retirement, development of additional
13 generating capacity and transmission systems, load management efforts,
14 conservation, and cost-effective end-use efficiency improvements.

15 (b) The commission shall establish by regulation a consistent
16 reporting methodology for advance resource plans required under (a) of
17 this section and shall encourage closely integrated utilities to
18 prepare the plans jointly.

19 (c) The commission shall hold a public hearing before approving
20 a utility's advance resource plan. The commission may not approve the
21 plan unless it finds that the plan adequately addresses conserving
22 electrical energy supply resources through available cost-effective
23 end-use efficiency improvements.

24 Sec. 42.05.296. PERMITS FOR CERTAIN ELECTRICAL UTILITY CONSTRUC-
25 TION. An electric utility with annual sales that exceed 300,000,000
26 kilowatt hours may not construct or expand a plant or transmission
27 system to increase its capacity by more than five megawatts unless the
28 utility has obtained a permit from the commission. The commission may
29 not issue a permit unless it finds that the project is necessary to

1 meet future demand that cannot be met by cost-effective load manage-
2 ment alternatives, including conservation and energy end-use effi-
3 ciency improvements.

4 * Sec. 2. AS 42.05.411 is amended by adding a new subsection to read:

5 (d) The commission may not allow a new or revised tariff to take
6 effect for an electrical utility subject to AS 42.05.415 unless the
7 commission determines that the tariff is consistent with the develop-
8 ment or maintenance of the lowest cost electrical energy supply system
9 for the utility under the utility's most recent load management re-
10 port.

11 * Sec. 3. AS 42.05 is amended by adding a new section to read:

12 Sec. 42.05.415. LOAD MANAGEMENT REPORT. (a) An electric utili-
13 ty with annual sales that exceed 300,000,000 kilowatt hours shall file
14 a load management report with the commission on or before October 1,
15 each even-numbered year. The commission shall establish guidelines
16 for the report by regulation. The report shall

17 (1) identify the cost of service for specific classes of
18 customers;

19 (2) assess the opportunities for improved load management;

20 (3) evaluate the potential for reducing system costs by
21 reducing demand as a result of end-use efficiency improvements;

22 (4) document the current load and the load projected for
23 the next 10 years;

24 (5) analyze energy end-use in the utility service area and
25 identify as precisely as possible the final, physical use of elec-
26 tricity in the residential, commercial, and industrial sectors, in-
27 cluding use within each sector for space heating and cooling, light-
28 ing, water heating, refrigeration, office appliances, and shaft power;

29 (6) review current and anticipated load research

1 activities; and

2 (7) analyze opportunities to lower total utility system
3 costs through improved generation and transmission efficiencies,
4 including innovative rate designs, increased load factors, reduced
5 demand, and deferral of additional capacity requirements.

6 (b) The commission shall assist the utilities to coordinate
7 preparation of the report to minimize cost.

8 * Sec. 4. AS 42.05.651(a) is amended to read:

9 (a) After completion of a hearing or investigation held under
10 this chapter, the commission shall allocate the costs of the hearing
11 or investigation among the parties, including the commission, as is
12 just under the circumstances. In allocating costs, the commission may
13 consider the results, ability to pay, evidence of good faith, other
14 relevant factors and mitigating circumstances. The costs allocated
15 may include the costs of any time devoted to the investigation or
16 hearing by hired consultants, whether or not the consultants appear as
17 witnesses or participants. The costs allocated may also include costs
18 paid by the commission under (c) of this section and any out-of-pocket
19 expenses incurred by the commission in the particular meeting. The
20 commission shall provide an opportunity for any person objecting to an
21 allocation to be heard before the allocation becomes final.

22 * Sec. 5. AS 42.05.651 is amended by adding a new subsection to read:

23 (c) During a proceeding or investigation under this chapter, the
24 commission may compensate an interested person who is not a public
25 utility for some or all of the reasonable costs of participating if
26 the compensation is necessary to enable the interested person to
27 adequately participate and if the participation is necessary to ade-
28 quately present a significant position in which the person has a
29 substantial interest. After completion of a hearing or investigation

1 under this chapter, the commission may compensate an interested person
2 who is not a public utility for some or all of the reasonable costs of
3 participation in the proceeding or investigation if the commission
4 finds that the participation was significant and has caused a substan-
5 tial financial hardship to the interested person.